

1.1 moves to amend H.F. No. 873 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2017 Supplement, section 256B.0915, subdivision 12, is
1.4 amended to read:

1.5 Subd. 12. **Payment rates; phase-in.** Effective January 1, 2019, all rates and rate
1.6 components for services under subdivision 11 shall be the sum of ~~ten~~ 20 percent of the rates
1.7 calculated under subdivisions 13 to 16 and ~~90~~ 80 percent of the rates calculated using the
1.8 rate methodology in effect as of June 30, 2017.

1.9 **EFFECTIVE DATE.** This section is effective January 1, 2019, or upon federal approval,
1.10 whichever is later. The commissioner of human services shall notify the revisor of statutes
1.11 when federal approval is obtained.

1.12 Sec. 2. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 2, is amended
1.13 to read:

1.14 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
1.15 meanings given them, unless the context clearly indicates otherwise.

1.16 (b) "Commissioner" means the commissioner of human services.

1.17 (c) "Component value" means underlying factors that are part of the cost of providing
1.18 services that are built into the waiver rates methodology to calculate service rates.

1.19 (d) "Customized living tool" means a methodology for setting service rates that delineates
1.20 and documents the amount of each component service included in a recipient's customized
1.21 living service plan.

2.1 (e) "Direct care staff" means employees providing direct service provision to people
2.2 receiving services under this section. Direct care staff does not include executive, managerial,
2.3 or administrative staff.

2.4 ~~(e)~~ (f) "Disability waiver rates system" means a statewide system that establishes rates
2.5 that are based on uniform processes and captures the individualized nature of waiver services
2.6 and recipient needs.

2.7 ~~(f)~~ (g) "Individual staffing" means the time spent as a one-to-one interaction specific to
2.8 an individual recipient by staff to provide direct support and assistance with activities of
2.9 daily living, instrumental activities of daily living, and training to participants, and is based
2.10 on the requirements in each individual's coordinated service and support plan under section
2.11 245D.02, subdivision 4b; any coordinated service and support plan addendum under section
2.12 245D.02, subdivision 4c; and an assessment tool. Provider observation of an individual's
2.13 needs must also be considered.

2.14 ~~(g)~~ (h) "Lead agency" means a county, partnership of counties, or tribal agency charged
2.15 with administering waived services under sections 256B.092 and 256B.49.

2.16 ~~(h)~~ (i) "Median" means the amount that divides distribution into two equal groups,
2.17 one-half above the median and one-half below the median.

2.18 ~~(i)~~ (j) "Payment or rate" means reimbursement to an eligible provider for services
2.19 provided to a qualified individual based on an approved service authorization.

2.20 ~~(j)~~ (k) "Rates management system" means a Web-based software application that uses
2.21 a framework and component values, as determined by the commissioner, to establish service
2.22 rates.

2.23 ~~(k)~~ (l) "Recipient" means a person receiving home and community-based services funded
2.24 under any of the disability waivers.

2.25 ~~(l)~~ (m) "Shared staffing" means time spent by employees, not defined under paragraph
2.26 (f), providing or available to provide more than one individual with direct support and
2.27 assistance with activities of daily living as defined under section 256B.0659, subdivision
2.28 1, paragraph (b); instrumental activities of daily living as defined under section 256B.0659,
2.29 subdivision 1, paragraph (i); ancillary activities needed to support individual services; and
2.30 training to participants, and is based on the requirements in each individual's coordinated
2.31 service and support plan under section 245D.02, subdivision 4b; any coordinated service
2.32 and support plan addendum under section 245D.02, subdivision 4c; an assessment tool; and

3.1 provider observation of an individual's service need. Total shared staffing hours are divided
3.2 proportionally by the number of individuals who receive the shared service provisions.

3.3 ~~(m)~~ (n) "Staffing ratio" means the number of recipients a service provider employee
3.4 supports during a unit of service based on a uniform assessment tool, provider observation,
3.5 case history, and the recipient's services of choice, and not based on the staffing ratios under
3.6 section 245D.31.

3.7 ~~(n)~~ (o) "Unit of service" means the following:

3.8 (1) for residential support services under subdivision 6, a unit of service is a day. Any
3.9 portion of any calendar day, within allowable Medicaid rules, where an individual spends
3.10 time in a residential setting is billable as a day;

3.11 (2) for day services under subdivision 7:

3.12 (i) for day training and habilitation services, a unit of service is either:

3.13 (A) a day unit of service is defined as six or more hours of time spent providing direct
3.14 services and transportation; or

3.15 (B) a partial day unit of service is defined as fewer than six hours of time spent providing
3.16 direct services and transportation; and

3.17 (C) for new day service recipients after January 1, 2014, 15 minute units of service must
3.18 be used for fewer than six hours of time spent providing direct services and transportation;

3.19 (ii) for adult day and structured day services, a unit of service is a day or 15 minutes. A
3.20 day unit of service is six or more hours of time spent providing direct services;

3.21 (iii) for prevocational services, a unit of service is a day or an hour. A day unit of service
3.22 is six or more hours of time spent providing direct service;

3.23 (3) for unit-based services with programming under subdivision 8:

3.24 (i) for supported living services, a unit of service is a day or 15 minutes. When a day
3.25 rate is authorized, any portion of a calendar day where an individual receives services is
3.26 billable as a day; and

3.27 (ii) for all other services, a unit of service is 15 minutes; and

3.28 (4) for unit-based services without programming under subdivision 9, a unit of service
3.29 is 15 minutes.

4.1 Sec. 3. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 5, is amended
4.2 to read:

4.3 Subd. 5. **Base wage index and standard component values.** (a) The base wage index
4.4 is established to determine staffing costs associated with providing services to individuals
4.5 receiving home and community-based services. For purposes of developing and calculating
4.6 the proposed base wage, Minnesota-specific wages taken from job descriptions and standard
4.7 occupational classification (SOC) codes from the Bureau of Labor Statistics as defined in
4.8 the most recent edition of the Occupational Handbook must be used. The base wage index
4.9 must be calculated as follows:

4.10 (1) for residential direct care staff, the sum of:

4.11 (i) 15 percent of the subtotal of 50 percent of the median wage for personal and home
4.12 health aide (SOC code 39-9021); 30 percent of the median wage for nursing assistant (SOC
4.13 code 31-1014); and 20 percent of the median wage for social and human services aide (SOC
4.14 code 21-1093); and

4.15 (ii) 85 percent of the subtotal of 20 percent of the median wage for home health aide
4.16 (SOC code 31-1011); 20 percent of the median wage for personal and home health aide
4.17 (SOC code 39-9021); 20 percent of the median wage for nursing assistant (SOC code
4.18 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);
4.19 and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

4.20 (2) for day services, 20 percent of the median wage for nursing assistant (SOC code
4.21 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);
4.22 and 60 percent of the median wage for social and human services aide (SOC code 21-1093);

4.23 (3) for residential asleep-overnight staff, the wage is the minimum wage in Minnesota
4.24 for large employers, except in a family foster care setting, the wage is 36 percent of the
4.25 minimum wage in Minnesota for large employers;

4.26 (4) for behavior program analyst staff, 100 percent of the median wage for mental health
4.27 counselors (SOC code 21-1014);

4.28 (5) for behavior program professional staff, 100 percent of the median wage for clinical
4.29 counseling and school psychologist (SOC code 19-3031);

4.30 (6) for behavior program specialist staff, 100 percent of the median wage for psychiatric
4.31 technicians (SOC code 29-2053);

4.32 (7) for supportive living services staff, 20 percent of the median wage for nursing assistant
4.33 (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code

5.1 29-2053); and 60 percent of the median wage for social and human services aide (SOC code
5.2 21-1093);

5.3 (8) for housing access coordination staff, 100 percent of the median wage for community
5.4 and social services specialist (SOC code 21-1099);

5.5 (9) for in-home family support staff, 20 percent of the median wage for nursing aide
5.6 (SOC code 31-1012); 30 percent of the median wage for community social service specialist
5.7 (SOC code 21-1099); 40 percent of the median wage for social and human services aide
5.8 (SOC code 21-1093); and ten percent of the median wage for psychiatric technician (SOC
5.9 code 29-2053);

5.10 (10) for individualized home supports services staff, 40 percent of the median wage for
5.11 community social service specialist (SOC code 21-1099); 50 percent of the median wage
5.12 for social and human services aide (SOC code 21-1093); and ten percent of the median
5.13 wage for psychiatric technician (SOC code 29-2053);

5.14 (11) for independent living skills staff, 40 percent of the median wage for community
5.15 social service specialist (SOC code 21-1099); 50 percent of the median wage for social and
5.16 human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric
5.17 technician (SOC code 29-2053);

5.18 (12) for independent living skills specialist staff, 100 percent of mental health and
5.19 substance abuse social worker (SOC code 21-1023);

5.20 (13) for supported employment staff, 20 percent of the median wage for nursing assistant
5.21 (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code
5.22 29-2053); and 60 percent of the median wage for social and human services aide (SOC code
5.23 21-1093);

5.24 (14) for employment support services staff, 50 percent of the median wage for
5.25 rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for
5.26 community and social services specialist (SOC code 21-1099);

5.27 (15) for employment exploration services staff, 50 percent of the median wage for
5.28 rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for
5.29 community and social services specialist (SOC code 21-1099);

5.30 (16) for employment development services staff, 50 percent of the median wage for
5.31 education, guidance, school, and vocational counselors (SOC code 21-1012); and 50 percent
5.32 of the median wage for community and social services specialist (SOC code 21-1099);

6.1 (17) for adult companion staff, 50 percent of the median wage for personal and home
6.2 care aide (SOC code 39-9021); and 50 percent of the median wage for nursing assistant
6.3 (SOC code 31-1014);

6.4 (18) for night supervision staff, 20 percent of the median wage for home health aide
6.5 (SOC code 31-1011); 20 percent of the median wage for personal and home health aide
6.6 (SOC code 39-9021); 20 percent of the median wage for nursing assistant (SOC code
6.7 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);
6.8 and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

6.9 (19) for respite staff, 50 percent of the median wage for personal and home care aide
6.10 (SOC code 39-9021); and 50 percent of the median wage for nursing assistant (SOC code
6.11 31-1014);

6.12 (20) for personal support staff, 50 percent of the median wage for personal and home
6.13 care aide (SOC code 39-9021); and 50 percent of the median wage for nursing assistant
6.14 (SOC code 31-1014);

6.15 (21) for supervisory staff, 100 percent of the median wage for community and social
6.16 services specialist (SOC code 21-1099), with the exception of the supervisor of behavior
6.17 professional, behavior analyst, and behavior specialists, which is 100 percent of the median
6.18 wage for clinical counseling and school psychologist (SOC code 19-3031);

6.19 (22) for registered nurse staff, 100 percent of the median wage for registered nurses
6.20 (SOC code 29-1141); and

6.21 (23) for licensed practical nurse staff, 100 percent of the median wage for licensed
6.22 practical nurses (SOC code 29-2061).

6.23 (b) Component values for residential support services are:

6.24 (1) supervisory span of control ratio: 11 percent;

6.25 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;

6.26 (3) employee-related cost ratio: 23.6 percent;

6.27 (4) general administrative support ratio: 13.25 percent;

6.28 (5) program-related expense ratio: 1.3 percent; and

6.29 (6) absence and utilization factor ratio: 3.9 percent.

6.30 (c) Component values for family foster care are:

6.31 (1) supervisory span of control ratio: 11 percent;

- 7.1 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 7.2 (3) employee-related cost ratio: 23.6 percent;
- 7.3 (4) general administrative support ratio: 3.3 percent;
- 7.4 (5) program-related expense ratio: 1.3 percent; and
- 7.5 (6) absence factor: 1.7 percent.
- 7.6 (d) Component values for day services for all services are:
- 7.7 (1) supervisory span of control ratio: 11 percent;
- 7.8 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 7.9 (3) employee-related cost ratio: 23.6 percent;
- 7.10 (4) program plan support ratio: 5.6 percent;
- 7.11 (5) client programming and support ratio: ten percent;
- 7.12 (6) general administrative support ratio: 13.25 percent;
- 7.13 (7) program-related expense ratio: 1.8 percent; and
- 7.14 (8) absence and utilization factor ratio: 9.4 percent.
- 7.15 (e) Component values for unit-based services with programming are:
- 7.16 (1) supervisory span of control ratio: 11 percent;
- 7.17 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 7.18 (3) employee-related cost ratio: 23.6 percent;
- 7.19 (4) program plan supports ratio: 15.5 percent;
- 7.20 (5) client programming and supports ratio: 4.7 percent;
- 7.21 (6) general administrative support ratio: 13.25 percent;
- 7.22 (7) program-related expense ratio: 6.1 percent; and
- 7.23 (8) absence and utilization factor ratio: 3.9 percent.
- 7.24 (f) Component values for unit-based services without programming except respite are:
- 7.25 (1) supervisory span of control ratio: 11 percent;
- 7.26 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 7.27 (3) employee-related cost ratio: 23.6 percent;

- 8.1 (4) program plan support ratio: 7.0 percent;
- 8.2 (5) client programming and support ratio: 2.3 percent;
- 8.3 (6) general administrative support ratio: 13.25 percent;
- 8.4 (7) program-related expense ratio: 2.9 percent; and
- 8.5 (8) absence and utilization factor ratio: 3.9 percent.
- 8.6 (g) Component values for unit-based services without programming for respite are:
- 8.7 (1) supervisory span of control ratio: 11 percent;
- 8.8 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 8.9 (3) employee-related cost ratio: 23.6 percent;
- 8.10 (4) general administrative support ratio: 13.25 percent;
- 8.11 (5) program-related expense ratio: 2.9 percent; and
- 8.12 (6) absence and utilization factor ratio: 3.9 percent.
- 8.13 (h) On July 1, 2017, the commissioner shall update the base wage index in paragraph
- 8.14 (a) based on the wage data by standard occupational code (SOC) from the Bureau of Labor
- 8.15 Statistics available on December 31, 2016. The commissioner shall publish these updated
- 8.16 values and load them into the rate management system. On July 1, 2022, and every five
- 8.17 years thereafter, the commissioner shall update the base wage index in paragraph (a) based
- 8.18 on the most recently available wage data by SOC from the Bureau of Labor Statistics. The
- 8.19 commissioner shall publish these updated values and load them into the rate management
- 8.20 system.
- 8.21 (i) On July 1, 2017, the commissioner shall update the framework components in
- 8.22 paragraph (d), clause (5); paragraph (e), clause (5); and paragraph (f), clause (5); subdivision
- 8.23 6, clauses (8) and (9); and subdivision 7, clauses (10), (16), and (17), for changes in the
- 8.24 Consumer Price Index. The commissioner will adjust these values higher or lower by the
- 8.25 percentage change in the Consumer Price Index-All Items, United States city average
- 8.26 (CPI-U) from January 1, 2014, to January 1, 2017. The commissioner shall publish these
- 8.27 updated values and load them into the rate management system. On July 1, 2022, and every
- 8.28 five years thereafter, the commissioner shall update the framework components in paragraph
- 8.29 (d), clause (5); paragraph (e), clause (5); and paragraph (f), clause (5); subdivision 6, clauses
- 8.30 (8) and (9); and subdivision 7, clauses (10), (16), and (17), for changes in the Consumer
- 8.31 Price Index. The commissioner shall adjust these values higher or lower by the percentage
- 8.32 change in the CPI-U from the date of the previous update to the date of the data most recently

9.1 available prior to the scheduled update. The commissioner shall publish these updated values
9.2 and load them into the rate management system.

9.3 (j) In this subdivision, if Bureau of Labor Statistics occupational codes or Consumer
9.4 Price Index items are unavailable in the future, the commissioner shall recommend to the
9.5 legislature codes or items to update and replace missing component values.

9.6 (k) Beginning January 1, 2019, the commissioner shall adjust the updated base wage
9.7 index in paragraph (h) with a competitive workforce factor of \$0.75 to provide increased
9.8 compensation to direct care staff. Providers shall use these additional funds on wage increases
9.9 for direct care staff defined in subdivision 2, paragraph (e).

9.10 (l) By December 31, 2019, providers paid with rates incorporating the competitive
9.11 workforce factor in paragraph (k) shall submit a distribution plan to the commissioner
9.12 describing how the additional funds are allocated. Providers shall make their distribution
9.13 plan available and accessible to all direct care staff employed by their agency for a minimum
9.14 of one calendar year.

9.15 (m) Beginning January 1, 2019, providers enrolled to provide services with rates
9.16 determined under this section shall annually submit labor market data to the commissioner.

9.17 (n) Beginning January 15, 2020, the commissioner shall publish annual reports on
9.18 provider and state-level labor market data, including but not limited to:

9.19 (1) number of direct care staff;

9.20 (2) wages of direct care staff;

9.21 (3) benefits provided to direct care staff;

9.22 (4) job vacancies; and

9.23 (5) staff retention rates.

9.24 (o) The commissioner shall temporarily suspend payments to a provider if documentation
9.25 requested under paragraph (m) is not received 90 days after the required submission date.
9.26 Withheld payments shall be made once data is received by the commissioner.

9.27 (p) For rates subject to rate stabilization under section 256B.4913, the historical rate
9.28 utilized in the adjustment required in section 256B.4913, subdivision 4a, paragraph (c),
9.29 shall be adjusted by 4.9 percent upon application of the competitive workforce factor in
9.30 paragraph (k).

10.1 **EFFECTIVE DATE.** This section is effective January 1, 2019, or upon federal approval,
10.2 whichever is later. The commissioner of human services shall notify the revisor of statutes
10.3 when federal approval is obtained.

10.4 Sec. 4. **[256B.4916] HOME AND COMMUNITY-BASED SERVICES PROVIDER**
10.5 **RATE AND GRANT ADJUSTMENTS.**

10.6 Subdivision 1. **Rate and grant adjustments.** The commissioner of human services shall
10.7 increase reimbursement rates, grants, allocations, individual limits, and rate limits, as
10.8 applicable, by an amount specified in subdivision 2 beginning January 1, 2019, for services
10.9 rendered on or after that date. County or tribal contracts for services specified in this section
10.10 must be amended to pass through each rate increase within 60 days of the effective date of
10.11 each increase.

10.12 Subd. 2. **Eligible services, grants, and programs.** (a) The commissioner shall provide
10.13 a 4.9 percent rate increase for the following services:

10.14 (1) home and community-based waived services for persons with developmental
10.15 disabilities under section 256B.092, including consumer-directed community supports, for
10.16 services that do not have rates determined under section 256B.4914;

10.17 (2) waived services under community alternatives for disabled individuals under section
10.18 256B.49, including consumer-directed community supports, for services that do not have
10.19 rates determined under section 256B.4914;

10.20 (3) community alternative care waived services under section 256B.49, including
10.21 consumer-directed community supports, for services that do not have rates determined under
10.22 section 256B.4914; and

10.23 (4) brain injury waived services under section 256B.49, including consumer-directed
10.24 community supports, for services that do not have rates determined under section 256B.4914.

10.25 (b) The commissioner shall provide a 4.3 percent rate increase for the following services:

10.26 (1) home and community-based waived services for the elderly under section
10.27 256B.0915, for services not subject to the rate methodology under section 256B.0915,
10.28 subdivisions 12 to 16;

10.29 (2) nursing services and home health services under section 256B.0625, subdivision 6a;

10.30 (3) personal care services and qualified professional supervision of personal care services
10.31 under section 256B.0625, subdivisions 6a and 19a;

10.32 (4) home care nursing services under section 256B.0625, subdivision 7;

- 11.1 (5) community first services and supports under section 256B.85;
- 11.2 (6) essential community supports under section 256B.0922;
- 11.3 (7) day training and habilitation services for adults with developmental disabilities under
- 11.4 sections 252.41 to 252.46, including the additional cost to counties of the rate adjustments
- 11.5 on day training and habilitation services provided as a social service;
- 11.6 (8) alternative care services under section 256B.0913;
- 11.7 (9) living skills training programs for persons with intractable epilepsy who need
- 11.8 assistance in the transition to independent living under Laws 1988, chapter 689;
- 11.9 (10) semi-independent living services (SILS) under section 252.275;
- 11.10 (11) consumer support grants under section 256.476;
- 11.11 (12) family support grants under section 252.32;
- 11.12 (13) housing access grants under section 256B.0658;
- 11.13 (14) self-advocacy grants under Laws 2009, chapter 101;
- 11.14 (15) technology grants under Laws 2009, chapter 79;
- 11.15 (16) aging grants under sections 256.975 to 256.977 and 256B.0917;
- 11.16 (17) deaf and hard-of-hearing grants under section 256.01, subdivision 2, including
- 11.17 community support services for deaf and hard-of-hearing adults with mental illness who
- 11.18 use or wish to use sign language as their primary means of communication;
- 11.19 (18) deaf and hard-of-hearing grants under sections 256C.233 and 256C.261;
- 11.20 (19) Disability Linkage Line grants under section 256.01, subdivision 24;
- 11.21 (20) home and community-based transition initiative grants under section 256.478;
- 11.22 (21) employment support grants under section 256B.021, subdivision 6; and
- 11.23 (22) grants provided to people who are eligible for the Housing Opportunities for Persons
- 11.24 with AIDS program under section 256B.492.
- 11.25 Subd. 3. **Managed care and county-based purchasing plans.** A managed care plan or
- 11.26 county-based purchasing plan receiving state payments for the services, grants, and programs
- 11.27 in subdivision 2 must include the adjustments in their payments to providers. For the purposes
- 11.28 of this section, "providers" means entities that provide care coordination. To implement the
- 11.29 rate increase in subdivision 1, capitation rates paid by the commissioner to managed care
- 11.30 plans and county-based purchasing plans under section 256B.69 shall reflect the increases

12.1 for the services, grants, and programs specified in subdivision 2 for the periods beginning
12.2 on the effective date of the rate adjustment under subdivision 1.

12.3 Subd. 4. **Consumer-directed community supports.** Counties shall increase the budget
12.4 for each recipient of consumer-directed community supports by the amounts in subdivision
12.5 1 on the effective date of the rate adjustment under subdivision 1.

12.6 Subd. 5. **Workforce compensation adjustment.** A provider that receives a rate
12.7 adjustment under subdivision 1 shall use the additional revenue to increase
12.8 compensation-related costs for employees directly employed by the program on or after the
12.9 effective date of the rate adjustment under subdivision 1, except:

12.10 (1) persons employed in the central office of a corporation or entity that has an ownership
12.11 interest in the provider or exercises control over the provider; and

12.12 (2) persons paid by the provider under a management contract.

12.13 Subd. 6. **Compensation-related costs.** Compensation-related costs include wages and
12.14 salaries.

12.15 Subd. 7. **Public employees under collective bargaining agreement.** For public
12.16 employees under a collective bargaining agreement, the adjustments for wages are available
12.17 and pay rates must be increased only to the extent that the adjustments comply with laws
12.18 governing public employees' collective bargaining. Money received by a provider for
12.19 compensation increases for public employees under subdivision 5 must be used only for
12.20 compensation increases implemented between January 1, 2019, and February 1, 2019.

12.21 Subd. 8. **Employees represented by exclusive bargaining representative.** For a
12.22 provider that has employees who are represented by an exclusive bargaining representative,
12.23 the provider shall obtain a letter of acceptance of the distribution plan required under
12.24 subdivision 11, relating to the members of the bargaining unit, signed by the exclusive
12.25 bargaining agent. Upon receipt of the letter of acceptance, the provider shall be deemed to
12.26 have met all the requirements of this section relating to the members of the bargaining unit.
12.27 Upon request, the provider shall produce the letter of acceptance to the commissioner.

12.28 Subd. 9. **State grant contracts.** The commissioner shall amend state grant contracts
12.29 that include direct personnel-related grant expenditures to include the allocation for the
12.30 portion of the contract related to employee compensation. Grant contracts for
12.31 compensation-related services must be amended to pass through these adjustments within
12.32 60 days of the effective date of the rate adjustment under subdivision 1 and must be
12.33 retroactive to the effective date of the rate adjustment under subdivision 1.

13.1 Subd. 10. **Board on Aging; area agencies on aging.** The Board on Aging and its area
13.2 agencies on aging shall amend their grants that include direct personnel-related grant
13.3 expenditures to include the rate adjustments for the portion of the grant related to employee
13.4 compensation. Grants for compensation-related services must be amended to apply the
13.5 adjustments within 60 days of the effective date of the rate adjustment under subdivision 1
13.6 and must be retroactive to the effective date of the rate adjustment under subdivision 1.

13.7 Subd. 11. **Distribution plan.** (a) A provider that receives a rate adjustment under
13.8 subdivision 1 that is subject to subdivision 5 shall prepare and, upon request, submit to the
13.9 commissioner a distribution plan that specifies the amount of money the provider expects
13.10 to receive that is subject to the requirements of subdivision 5, including how that money
13.11 will be distributed to increase compensation for employees.

13.12 (b) Within six months of the effective date of the rate adjustment, the provider shall post
13.13 the distribution plan required under paragraph (a) for a period of at least six weeks in an
13.14 area of the provider's operation to which all eligible employees have access and shall provide
13.15 instructions for employees who do not believe they received the wage increases specified
13.16 in the distribution plan. The instructions must include a mailing address, e-mail address,
13.17 and telephone number that the employee may use to contact the commissioner or the
13.18 commissioner's representative.

13.19 **EFFECTIVE DATE.** This section is effective January 1, 2019, or upon federal approval,
13.20 whichever is later. The commissioner of human services shall notify the revisor of statutes
13.21 when federal approval is obtained.

13.22 Sec. 5. Minnesota Statutes 2016, section 256B.5012, is amended by adding a subdivision
13.23 to read:

13.24 Subd. 18. **ICF/DD rate adjustment effective January 1, 2019.** (a) For the rate period
13.25 beginning January 1, 2019, the commissioner shall increase operating payment rates for
13.26 each facility reimbursed under this section by an amount sufficient to provide employees
13.27 directly employed by the facility with a compensation increase equal to 4.3 percent compared
13.28 to the compensation in effect on December 31, 2018.

13.29 (b) A facility that receives a rate increase under this subdivision shall use the additional
13.30 revenue for compensation-related costs for employees directly employed by the facility on
13.31 or after December 31, 2018, except:

13.32 (1) persons employed in the central office of a corporation or entity that has an ownership
13.33 interest in the facility or exercises control over the facility; and

14.1 (2) persons paid by the facility under a management contract.

14.2 (c) Compensation-related costs include wages and salaries.

14.3 (d) For public employees under a collective bargaining agreement, the increases for
14.4 wages for certain staff are available and pay rates must be increased only to the extent that
14.5 the increases comply with laws governing public employees' collective bargaining. Money
14.6 received by a facility under paragraph (b) for compensation increases for public employees
14.7 must be used only for compensation increases implemented between January 1, 2019, and
14.8 February 1, 2019.

14.9 (e) For a facility that has employees that are represented by an exclusive bargaining
14.10 representative, the provider shall obtain a letter of acceptance of the distribution plan required
14.11 under paragraph (f), relating to the members of the bargaining unit, signed by the exclusive
14.12 bargaining agent. Upon receipt of the letter of acceptance, the facility shall be deemed to
14.13 have met all the requirements of this subdivision relating to the members of the bargaining
14.14 unit. Upon request, the facility shall produce the letter of acceptance to the commissioner.

14.15 (f) A facility that receives a rate adjustment under paragraph (a) that is subject to
14.16 paragraphs (b) and (c) shall prepare and, upon request, submit to the commissioner a
14.17 distribution plan that specifies the amount of money the facility expects to receive that is
14.18 subject to the requirements of paragraphs (b) and (c), including how that money will be
14.19 distributed to increase compensation for employees.

14.20 (g) Within six months of the effective date of the rate adjustment, the facility shall post
14.21 the distribution plan required under paragraph (f) for at least six weeks in an area of the
14.22 facility's operation to which all eligible employees have access and shall provide instructions
14.23 for employees who do not believe they have received the wage increases specified in the
14.24 distribution plan. The instructions must include a mailing address, e-mail address, and
14.25 telephone number that an employee may use to contact the commissioner or the
14.26 commissioner's representative.

14.27 **EFFECTIVE DATE.** This section is effective January 1, 2019.

14.28 Sec. 6. **REPEALER.**

14.29 Minnesota Statutes 2016, section 256B.5012, subdivisions 4, 5, 6, 7, 8, 9, 10, 11, and
14.30 14, are repealed effective July 1, 2018."

14.31 Amend the title accordingly